

A BUDGET FOR A BETTER AMERICA

Over the past two years, the President has restored faith in the American dream and extended a more prosperous future—an American future—that is secure, sovereign, and affordable.

The President's pro-growth economic agenda, MAGAnomics, has unleashed the American economy. Working alongside Republicans in the Congress, the President signed historic tax reform into law, marking the first time in more than 30 years that the Nation's tax laws were overhauled to provide much-needed relief to American Families, all while allowing U.S. small businesses to flourish. Unemployment is the lowest in 50 years, millions of jobs have been created, and GDP grew by 3.1 percent over the four quarters of 2018. For the first time in history, there are more vacant jobs than job seekers to fill them. The economic health of the Nation is as strong as it has ever been.

The Administration's ongoing efforts to cut red tape are also key to continued economic growth. Over the past year, Federal agencies have eliminated 12 unnecessary or duplicative regulations for every one new regulation implemented, which has saved the economy more than \$23 billion in Washington-imposed costs. The President's deregulatory efforts are providing relief for all Americans through real wage growth and more jobs, ushering in a new era of optimism. The weight of Washington's presence is now a more distant memory, and Americans feel confident to invest in their families, businesses, and future.

However, for economic growth to endure, Washington must fix its longtime spending problem, which has driven the Nation's debt to more than \$22 trillion this year. Even with high levels of economic growth, excessive deficits continue

to threaten the Nation's progress, and any unforeseen shocks to the economy could make deficits unsustainable. Without action to restore the proper size and role of the Government, deficits will remain over a trillion dollars per year for the foreseeable future. Debt, already run up by the excesses of previous administrations' economic policies, will soon surpass a percent of GDP not seen since 1947.

If financial obligations continue to grow at the current pace, the Nation's creditors may demand higher interest rates to compensate, potentially leading to lower private investment and a smaller capital stock, harming both American businesses and workers. If nothing is done, interest payments alone on the Federal Government's debt will double by 2023 and exceed spending on the U.S. military by 2024.

Even with a booming economy, excluding Social Security and Medicare spending and revenues, the Federal Government is still running a net deficit of \$608 billion. During the Great Recession, this figure increased from \$664 billion in 2008 to \$1,354 billion in 2010, illustrating what can happen during changes in the business cycle when there is a complete lack of fiscal restraint. Since the end of the recession, little has been done to rein in excessive spending as net deficits averaged \$759 billion from 2010–2016.

The President is committed to protecting and respecting American taxpayers. Recognizing the importance of controlling excessive spending, the President directed Federal agencies to reduce their programmatic spending to five percent below the non-Defense discretionary budget cap. Only in Washington would that be considered impossible. Ordinary, hard-working American families

make necessary sacrifices daily to provide for their families. Washington should be no different.

Yet, facing up to fiscal reality does not mean ignoring the other needs facing the Nation. The Budget demonstrates how, even within this constrained discretionary topline, the President proposes to fund critical national priorities by reprioritizing other spending. The Budget protects or increases funding for border security, national defense, opioids, law enforcement, childcare, veterans' healthcare, emerging technologies that support the industries of the future, and workforce development. The Budget also illustrates the Administration's commitment to rebuilding

the Nation's infrastructure and addressing high drug prices.

The 2020 Budget builds off the foundation of the President's previous budgets and provides an avenue toward spending restraint. The Budget meets the President's directive on spending reductions by agency, proposing over \$2.7 trillion in spending reductions—more proposed spending reductions than any previous administration in history—and closing out the 10-year budget window with spending below the post-war average of 20 percent of GDP. Once again, with the Budget, the President provides his vision to get the Nation's fiscal house back in order to provide a better America for you.

2020 Budget Outlays Below Historical Average

